

# **TCC Broadcasting Limited**

**Annual report and financial statements for the  
18 month period ended 31 December 2019**

Registered number: 10796110



# **TCC Broadcasting Limited**

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## AETN UK

### Notes to the financial statements

For the 18 months ended 31 December 2019

#### 19. Leasing Commitments

The Company entered into a long-term lease on its new head office which commenced on 3 May 2016. Lease expense of £1,545k has been recognised in the 18 months ended 31 December 2019.

The Company entered into a long-term lease for its Photocopiers which commenced on 10 July 2018. Lease expense of £11.2k has been recognised in the 18 months ended 31 December 2019.

The group's future minimum operating lease payments are as follows:

	31 December 2019 £'000	30 June 2018 £'000
Within one year	1,053	1,030
Between one and five years	4,155	4,121
After five years	7,040	8,071
	<u>12,248</u>	<u>13,222</u>

#### 20. Employee Benefits

##### *Defined contribution schemes*

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the 18 months ended 31 December 2019 was £658k (2018: £407k).

#### 21. Subsequent events

On 31 January 2020, the UK formally left the European Union. AETN UK had already taken appropriate measures to safeguard the business against any anticipated changes by purchasing a subsidiary, AETN UK Germany GmbH, an entity that holds the licenses for our 17 European facing channels. This will ensure our ability to continue our European operations going forward.

March 2020 saw the UK going into lockdown due to the COVID-19 global pandemic. AETN UK successfully transitioned all staff to working from home and the business has continued to run effectively throughout. Whilst advertising revenue has declined as brands have withdrawn or reduced spend, subscription and digital revenue remain strong. The business has sought out cost savings, including a headcount freeze, for the remainder of the year to partially offset the adverse impact of COVID-19.

On 19 June 2020, A+E Networks Nordic ApS was dissolved. We are continuing the work to dissolve A+E Networks Benelux B.V. and anticipate that it will be dissolved before the end of the year.

## AETN UK

### Notes to the financial statements

For the 18 months ended 31 December 2019

#### 22. Related party transactions

The Company conducts business transactions with, and receives a number of services from its shareholder companies, Hearst and Sky.

The following revenues and (costs) resulted from transactions with its shareholder companies:

	Sky		A+E US		Hearst
	18 months ended 31 December 2019 £'000	Year ended 30 June 2018 £'000	18 months ended 31 December 2019 £'000	Year ended 30 June 2018 £'000	18 months ended 31 December 2019 £'000
Revenue (Subscriber and Advertising) – Net of Commission	48,550	28,572	-	-	-
Recharges	-	-	1,543	3,526	351
Expenses (Programming, Transmission, Marketing and Administration, etc.)	(6,654)	(4,653)	(21,775)	(18,935)	(404)
Interest on Borrowings	(341)	(222)	(345)	(219)	-

Amounts due from, or due to, either shareholder are disclosed in notes 11 and 12.

#### 23. Controlling party

AETN UK is a Private unlimited company which is 50% owned by A+E Television Networks (UK) Limited, a wholly owned subsidiary of The Hearst Corporation, a company incorporated in America, and 50% by Sky History Limited, a wholly-owned subsidiary of Comcast, a company incorporated in America.

# **TCC Broadcasting Limited**

## **Company information**

### **DIRECTORS:**

D A Possenniskie  
M R Neil

### **REGISTERED OFFICE:**

1 Queen Caroline Street  
London  
W6 9YN  
United Kingdom

### **REGISTERED NUMBER:**

10796110 (England and Wales)

### **STATUTORY AUDITOR:**

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB  
United Kingdom

# **TCC Broadcasting Limited**

## **Directors' report**

The directors present their report on the affairs of the company, together with the financial statements and auditor's report, for the 18 month period ended 31 December 2019.

### **Principal activities**

The principal activity of the company is to hold an EPG (Electronic programme guide) slot.

### **Review of the business**

The company's principal activity is to hold a Freeview broadcast licence and was incorporated on 31 May 2017.

On 31 August 2017 AETN UK purchased 100% of the 950,001 £1 ordinary shares from company's immediate parent undertaking The Community Channel for £950k, obtaining the licence for LCN 63 on the Freeview platform.

The company had a loss after tax of £158k and net assets of £704k at 31 December 2019 and has no current liabilities. Bearing this in mind and with the explicit support confirmed from the shareholders, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, fully supported by the parent company. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

### **Dividends**

The directors do not recommend payment of a dividend for the current or prior periods.

### **Directors**

The directors, who served throughout the period and to the date of this report, except as noted, were as follows:

D A Possenniskie  
M R Neil

### **Directors' indemnities**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

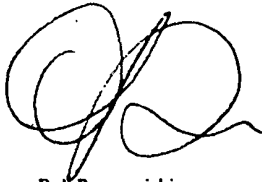
- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## **TCC Broadcasting Limited**

### **Directors' report (continued)**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board and signed on its behalf by:



**D A Possenniskie**  
Director

11 September 2020  
1 Queen Caroline Street  
London  
W6 9YN  
United Kingdom



**M R Neil**  
Director

## **TCC Broadcasting Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **Independent auditor's report to the members of TCC Broadcasting Limited**

## **Opinion**

We have audited the financial statements of TCC Broadcasting Limited for the period ended 31 December 2019 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of the company's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# **Independent auditor's report to the members of TCC Broadcasting Limited**

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received by us; or
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemptions from the requirement to prepare a strategic report or in preparing the directors' report

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RSM UK Audit LLP**

David Clark (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
Date 18 September 2020

## TCC Broadcasting Limited

### Statement of Comprehensive Income

For the 18 month period ended 31 December 2019

	Notes	18 months ended 31 December 2019 £'000	13 months ended 30 June 2018 £'000
Administrative expenses		(158)	(88)
<b>Loss on ordinary activities before taxation</b>	3	(158)	(88)
Tax on loss on ordinary activities	5	-	-
<b>Loss for the financial period</b>		<u>(158)</u>	<u>(88)</u>

All results relate to continuing activities.

The notes on pages 10 to 12 form an integral part of these financial statements.

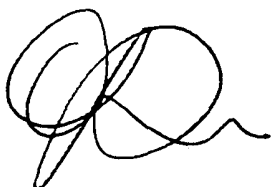
## TCC Broadcasting Limited

### Balance sheet

At 31 December 2019

	Notes	At 31 December 2019 £'000	At 30 June 2018 £'000
<b>Fixed assets</b>			
Intangible assets	6	704	862
<b>Net assets</b>		<u>704</u>	<u>862</u>
<b>Capital and reserves</b>			
Called-up share capital	7	950	950
Profit and loss account		(246)	(88)
<b>Shareholders' funds</b>		<u>704</u>	<u>862</u>

The financial statements of TCC Broadcasting Limited, registered number 10796110, were approved by the board of directors and authorised for issue on 11 September 2020. They were signed on its behalf by:



**D A Possenniskie**  
Director



**M R Neil**  
Director

The notes on pages 10 to 12 form an integral part of these financial statements.

## **TCC Broadcasting Limited**

### **Statement of changes in equity**

**At 31 December 2019**

	<b>Called-up share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
Issued in period	950	-	950
Loss and total comprehensive expense for the 13 month period ended 30 June 2018	-	(88)	(88)
<b>At 30 June 2018</b>	<u>950</u>	<u>(88)</u>	<u>862</u>
Loss and total comprehensive expense for the 18 month period ended 31 December 2019	950	(158)	(158)
<b>At 31 December 2019</b>	<u>950</u>	<u>(246)</u>	<u>704</u>

The notes on pages 10 to 12 form an integral part of these financial statements.

# **TCC Broadcasting Limited**

## **Notes to the financial statements**

**For the 18 month period 31 December 2019**

### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

#### **a. General information and basis of accounting**

TCC Broadcasting Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the Registered Office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements have been prepared under the historical cost convention.

These financial statements for the 18 month period 31 December 2019 are prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The functional currency of TCC Broadcasting Limited is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the company operates.

TCC Broadcasting Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. The company did not prepare a statement of cash flows as there were no cash based transactions during the period.

#### **b. Going concern**

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. On the basis of their assessment of the company's financial position, the company's directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Company has full supports from the parent organisation. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **c. Intangible fixed assets**

Intangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

EPG Asset (channel number on Freeview)	9 years
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#### **d. Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management has considered that an appropriate amortisation period is 9 years and a decision will be made each year as to whether the asset should be impaired. Management concluded that no such impairment adjustments were required.

# TCC Broadcasting Limited

## Notes to the financial statements For the 18 month period 31 December 2019

### 3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	18 months ended 31 December 2019 £'000	13 months ended 30 June 2018 £'000
Amortisation of intangible fixed assets	158	88
Audit fee borne by the parent company	5	10
	<u>163</u>	<u>98</u>

### 4. Directors' remuneration

The directors received no remuneration from the company for their services to the company during the current or prior periods. The directors of the company were paid by parent undertakings.

### 5. Tax on loss on ordinary activities

The tax charge comprises:

	18 months ended 31 December 2019 £'000	13 months ended 30 June 2018 £'000
<b>Current tax on loss on ordinary activities</b>		
UK corporation tax	-	-
	<u>-</u>	<u>-</u>
<b>Total tax on loss on ordinary activities</b>	<u>-</u>	<u>-</u>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	18 months ended 31 December 2019 £'000	13 months ended 30 June 2018 £'000
<b>Loss on ordinary activities before tax</b>	(158)	(88)
Tax on loss on ordinary activities at standard UK tax rate of 19%	(30)	(17)
Movements in unrecognised deferred tax	30	17
<b>Total tax charge for the period</b>	<u>-</u>	<u>-</u>

# TCC Broadcasting Limited

## Notes to the financial statements

For the 18 month period 31 December 2019

### 6. Intangible fixed assets

	<b>EPG Asset £'000</b>
<b>Cost</b>	
At 1 July 2018	950
At 31 December 2019	950
<b>Amortisation</b>	
At 1 July 2018	88
Charge for the 18 month period	158
At 31 December 2019	246
<b>Net book value</b>	
At 31 December 2019	704
At 30 June 2018	862

### 7. Called-up share capital and reserves

	<b>At 31 December 2019 £'000</b>	<b>At 30 June 2018 £'000</b>
<b>Allotted, called-up and fully paid</b>		
Ordinary shares of £1 each	950	950

The company's profit and loss reserve represents cumulative retained profits or losses.

On 31 August 2017 AETN UK purchased 100% of the 950,001 £1 ordinary shares from company's immediate parent undertaking The Community Channel for £950k.

### 8. Controlling party

The company's immediate parent undertaking is AETN UK a company incorporated in the United Kingdom.

AETN UK is an unlimited company which is 50% owned by A+E Television Networks (UK) Limited 50% and Sky History Limited.